

## **EXHIBIT A**

215 Nassau Street  
Princeton, NJ 08542  
USA

Telephone: 609-497-0796  
Fax: 609-924-3194

## T.CO METALS LLC

**DEMPSEY PIPE**  
80 Liberty Street  
Bolivar, NY 14715

25 February 2005

### SALES CONTRACT 2094 (Four pages)

**T.CO METALS LLC**, as seller, hereby sells to **DEMPSEY PIPE**, as buyer, the undermentioned goods against the seller's standard terms and conditions of sale:

**PRODUCT** : Prime newly manufactured electric resistant welded pipe, completely free from burrs, weld bead flash / slag or any debris.

**ORIGIN** : CINTAC S.A. - Chile

**QUALITY** : ASTM A53-02 Grade B, dual certified to ASME SA53-01 Grade B. Weld seam annealed

**PIPE ENDS** : Plain end, bevelled 30 (-0/+5) degrees as per ASTM A53 specification.

**WELD BEAD** : Internal weld bead removed / scarfed

**COATING** : Suitably externally coated with mill's varnish / lacquer coating to prevent corrosion.

**SIZE / TONNAGE** :

NPS (inches)	OD (inches)	Wall (inches)	Length (feet)	Theoretical weight (lbs / ft)	Quantity (mt)
6.00	6.625	0.188	20	12.92	140
6.00	6.625	0.250	20	17.00	1200
6.00	6.625	0.280	20	18.97	100

**QUANTITY** : 1,440 mt

**TOLERANCES** : Quantity tolerance: +/-10% in quantity per item and total

TCO 0075

**T.CO METALS LLC SALES CONTRACT 2094**

Length tolerance: +2/-0 inches  
 Straightness tolerance: Maximum 0.25 inches in 20 ft

**PIECES PER BUNDLE** : Seven pieces per bundle.

**PACKING** : Material packed in export bundles, securely banded with minimum two sets of three galvanized steel bands on each end and minimum two galvanized centre bands, for a total of eight galvanized bands.

**PORT OF SHIPMENT** : Any port in Chile port

**PORT OF DISCHARGE** : Philadelphia - USA

**DISCHARGE TERMINAL** : Tioga Marine Terminal.

**SHIPMENT** : In two shipments as per the following shipment schedule:

NPS (inches)	OD (inches)	Wall (inches)	Length (feet)	By 15 April 2005 (mt)	By 15 May 2005 (mt)
6.00	6.625	0.188	20		140
6.00	6.625	0.250	20	800	400
6.00	6.625	0.280	20	100	

**PRICE** : All prices are loaded per truck port of discharge

NPS (inches)	OD (inches)	Wall (inches)	Length (feet)	USD / 100 FT
6.00	6.625	0.188	20	504.05
6.00	6.625	0.250	20	661.83
6.00	6.625	0.280	20	739.83

**INVOICING** : Priced per foot

**PAYMENT** : Within 30 days from release of material in discharge port.

**INSURANCE** : Marine insurance to be covered by buyer

**DOCUMENTS** : (a) Original commercial invoice  
 (b) Packing list  
 (c) Mill's Test Certificates

**FORCE MAJEURE** : Seller shall not be liable to buyer for failure or delay caused by riots, civil commotion's wars, hostilities between nations, government laws, orders or regulations, embargoes, actions, imposition of any new antidumping and / or countervailing or similar duties, actions by any government or agency thereof, acts of God, storm, fire, accident, strike, sabotage, explosion,

**T.CO METALS LLC SALES CONTRACT 2094**

shortage in supplies and stock, or other similar or different contingency preventing performance by the seller and which is beyond the reasonable control of seller, and buyer is bound (1) to accept the delayed shipment or delivery made within a reasonable period after such an event has ceased to prevent performance by the seller or (2) to accept the termination by seller of all or any part of this contract.

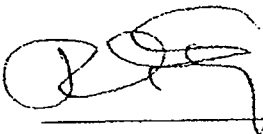
**CLAIM :** Notice in writing of any claim by buyer shall be delivered to seller within 30 (thirty) days after release of goods by seller and shall be accompanied by satisfactory documentary evidence(s) thereof detailing the specific nature of each reject. Buyer and seller undertake to co-operate fully with each other. Seller is not responsible for consequential loss or damage.

**ARBITRATION :** In the event of a dispute, claim or controversy between the buyer and seller, both parties shall use their best efforts to resolve the matter amicably through negotiations. Any such dispute, claim or controversy between us which cannot be resolved through negotiations within a period of 30 days of the notification of such a claim, dispute or controversy, shall be referred to and finally resolved by arbitration under the International arbitration rules of the American Arbitration Association. Arbitration will take place in New York, NY USA and proceedings will be conducted in English. The award of the Arbitration tribunal will be final and subject to no appeal. The costs and expenses of the prevailing party (including, without limitation, reasonable attorney's fees) will be paid by the other party.

**GOVERNING LAW:** Laws of the State of New York

In the event of any conflict between seller's standard terms and conditions of sale and any term or condition of this contract, the terms and conditions of this contract shall prevail. The seller's standard terms and conditions of sale are available upon request.

For and on behalf of **T.CO METALS LLC:**

  
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For and on behalf of **DEMPSEY PIPE:**

\_\_\_\_\_

215 Nassau Street  
Princeton, NJ 08542  
USA

Telephone: 609-497-0796  
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## T.CO METALS LLC

**DEMPSEY PIPE**  
80 Liberty Street  
Bolivar, NY 14715

25 April 2005

### SALES CONTRACT 2095

(Four pages)

**T.CO METALS LLC**, as seller, hereby sells to **DEMPSEY PIPE**, as buyer, the undermentioned goods against the seller's standard terms and conditions of sale:

**PRODUCT** : Prime newly manufactured electric resistant welded pipe, completely free from burrs, weld bead flash / slag or any debris.

**ORIGIN** : CINTAC S.A. - Chile

**QUALITY** : ASTM A53-02 Grade B, dual certified to ASME SA53-01 Grade B. Weld seam annealed

**PIPE ENDS** : Plain end, bevelled 30 (-0/+5) degrees as per ASTM A53 specification.

**WELD BEAD** : Internal weld bead removed / scarfed

**COATING** : Suitably externally coated with mill's varnish / lacquer coating to prevent corrosion.

**SIZE / TONNAGE** :

NPS (inches)	OD (inches)	Wall (inches)	Length (feet)	Theoretical weight (lbs / ft)	Quantity (mt)
6.00	6.625	0.250	20	17.00	1000

**QUANTITY** : 1,000 mt

**TOLERANCES** : Quantity tolerance: +/-10% in quantity per item and total  
Length tolerance: +2/-0 inches  
Straightness tolerance: Maximum 0.25 inches in 20 ft

TCO 0297

## T.CO METALS LLC SALES CONTRACT 2095

**PIECES PER BUNDLE** : Seven pieces per bundle.

**PACKING** : Material packed in export bundles, securely banded with minimum two sets of three galvanized steel bands on each end and minimum two galvanized centre bands, for a total of eight galvanized bands.

**PORT OF SHIPMENT** : Any port in Chile port

**PORT OF DISCHARGE** : Philadelphia - USA

**DISCHARGE TERMINAL** : Tioga Marine Terminal.

**SHIPMENT** : In two shipments as per the following shipment schedule:

NPS (inches)	OD (inches)	Wall (inches)	Length (feet)	By 31 July 2005 (mt)	By 31 August 2005 (mt)
6.00	6.625	0.250	20	500	500

**PRICE** : All prices are loaded per truck port of discharge

NPS (inches)	OD (inches)	Wall (inches)	Length (feet)	USD / 100 FT
6.00	6.625	0.250	20	671.00

**INVOICING** : Priced per foot

**PAYMENT** : Within 30 days from release of material in discharge port.

**INSURANCE** : Marine insurance to be covered by buyer

**DOCUMENTS** : (a) Original commercial invoice  
(b) Packing list  
(c) Mill's Test Certificates

**FORCE MAJEURE** : Seller shall not be liable to buyer for failure or delay caused by riots, civil commotion's wars, hostilities between nations, government laws, orders or regulations, embargoes, actions, imposition of any new antidumping and / or countervailing or similar duties, actions by any government or agency thereof, acts of God, storm, fire, accident, strike, sabotage, explosion, shortage in supplies and stock, or other similar or different contingency preventing performance by the seller and which is beyond the reasonable control of seller, and buyer is bound (1) to accept the delayed shipment or delivery made within a reasonable period after such an event has ceased to

**T.CO METALS LLC SALES CONTRACT 2095**

prevent performance by the seller or (2) to accept the termination by seller of all or any part of this contract.

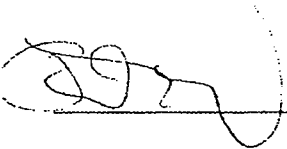
**CLAIM** : Notice in writing of any claim by buyer shall be delivered to seller within 30 (thirty) days after release of goods by seller and shall be accompanied by satisfactory documentary evidence(s) thereof detailing the specific nature of each reject. Buyer and seller undertake to co-operate fully with each other. Seller is not responsible for consequential loss or damage.

**ARBITRATION** : In the event of a dispute, claim or controversy between the buyer and seller, both parties shall use their best efforts to resolve the matter amicably through negotiations. Any such dispute, claim or controversy between us which cannot be resolved through negotiations within a period of 30 days of the notification of such a claim, dispute or controversy, shall be referred to and finally resolved by arbitration under the International arbitration rules of the American Arbitration Association. Arbitration will take place in New York, NY USA and proceedings will be conducted in English. The award of the Arbitration tribunal will be final and subject to no appeal. The costs and expenses of the prevailing party (including, without limitation, reasonable attorney's fees) will be paid by the other party.

**GOVERNING LAW:** Laws of the State of New York

In the event of any conflict between seller's standard terms and conditions of sale and any term or condition of this contract, the terms and conditions of this contract shall prevail. The seller's standard terms and conditions of sale are available upon request.

For and on behalf of **T.CO METALS LLC**:

  
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For and on behalf of **DEMPSEY PIPE**:

\_\_\_\_\_

## **EXHIBIT B**



BEFORE THE INTERNATIONAL CENTRE FOR DISPUTE  
RESOLUTION OF THE AMERICAN ARBITRATION  
ASSOCIATION

CASE NUMBERS 50154T 0027806 50 143T 0027806

In the Matter of the )  
Arbitration Between T.Co. )  
Metals LLC., )

Claimant, )

VS. )

DEMPSEY PIPE & SUPPLY, INC., )

Respondent. )

-----)

11:30 a.m.

November 17, 2006

White & Case

1155 Avenue of the Americas

New York, New York

B E F O R E:

Paul D. Friedland, Esq.

Reported by:

Robert X. Shaw, CSR

CSR NO. 817

JOB NO. 189448

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1 there is a conflict, and number 2, it  
2 fits like a glove, with the language that  
3 says, this clause 3.7 applies with  
4 respect to amounts that become payable,  
5 and they simply did not.

6 I think all of my other points have  
7 been covered in the body of the question  
8 and answer, except, I did want to make  
9 one or two comments on profit, because it  
10 is presented to you as an equitable  
11 consideration on the motion that we  
12 processed the stuff and sold it and made  
13 money, the statement, we made money.

14 So, this is a little bit of by way  
15 of preview of what we will talk about on  
16 the merits and terms of fairness.

17 Before dealing with T.Co., Dempsey  
18 dealt only with domestic sources of  
19 supply.

20 And in the most recent transactions,  
21 say, in late 2004, before turning to  
22 T.Co. on the domestic market, Dempsey  
23 paid in approximate terms \$1,000 per ton  
24 for pipe, and resold after processing, at

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1 profit margins, gross margins ranging  
2 upward from 25 percent, depending on  
3 market conditions.

4 And that means in approximate terms  
5 they bought for 1,000 -- and resold for  
6 1,333 per ton and up.

7 So the normal margin was 300, \$333  
8 per ton. The attraction with dealing  
9 with T.Co. for this Chilean pipe, the  
10 benefit of the bargain was that we could  
11 buy pipe from them for \$780 a ton, and  
12 not a thousand, and resell it under the  
13 pricing formula based on the domestic  
14 pipe that our competitors were buying and  
15 selling, and make additional profit based  
16 on the reduced cost in the increased  
17 margin.

18 The benefit of the bargain was the  
19 increased profit from buying cheaper  
20 product, and T.Co. knew that.

21 I think that is why T.Co. was in the  
22 business of importing pipe, because it  
23 would give buyers like Dempsey a  
24 competitive advantage and an additional

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1 margin.

2 Now, when you hear what happened  
3 with this pipe, you will hear that  
4 Dempsey was only able to sell this  
5 Chilean pipe, the nonconforming pipe for  
6 \$900 a ton.

7 You will hear that with shipping  
8 costs, the fully loaded costs was about  
9 \$810 a ton, including shipping costs, so  
10 that we made a margin on this stuff of  
11 \$90 a ton, whereas our old margin on  
12 domestic had been 333 or more, and  
13 whereas our expectation under this  
14 contract had been at least \$500 a ton,  
15 because we would be on top of the 333,  
16 plus the difference on the lower price.

17 So, it is not a question -- we  
18 process the stuff and made a profit, we  
19 made a profit which was dramatically  
20 lower than what we made by domestic pipe,  
21 and even more dramatically lower than the  
22 contracted for expectation.

23 And that is what the damages  
24 evidence will show, and we will talk

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1 about that some more when we talk about  
2 the subpoenas.

3 Just one or two other loose points,  
4 I think.

5 One, upon the denial of the  
6 application of the claimant for an  
7 interim award, assuming you do deny the  
8 application, it seems to me that this is  
9 a separate stage of the proceedings,  
10 where the respondent, as the prevailing  
11 party, should be entitled to an award of  
12 attorney's fees incurred in connection  
13 with this phase of the proceedings.

14 And I put an exclamation point on  
15 that, because I think we talked  
16 specifically about it at the preliminary  
17 conference as to whether this was  
18 necessary and appropriate, in light of  
19 the fact that we are coming back here in  
20 such a short period of time.

21 I do submit that there ought to be  
22 an award in favor of Dempsey, for  
23 attorney's fees and costs as the  
24 prevailing party on this application, and

20 (Pages 74 to 77)

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<p>1 Two things that I would like to say.  2 First of all, I think, a pretty  3 interesting question if this so-called  4 oral agreement folds up, and it is  5 supposed to trump everything that is  6 written, it seems to me that to trump the  7 fee provisions that are in the written  8 contract.  9 But beyond that, it seems to me that  10 any fee application by either party  11 actually should await the conclusion of  12 all of the proceedings, because under the  13 contract as written, fees are to be paid  14 to the prevailing party.  15 And given the fact that there is a  16 claim and a counterclaim, the  17 determination of who actually prevails at  18 the end of the day could be a matter of  19 some, you know, some discussion.  20 But let's just posit a few  21 possibilities.  22 The determination, either today or  23 at the end of the proceedings that T.Co.  24 is entitled to recover its unpaid bills,</p>	<p>1 to the arbitration clause and the sales  2 contracts.  3 MR. GOLDSTEIN: Let's take a look at  4 the clause. We will take them in order.  5 The clause says, in the event of a  6 dispute, claim or controversy between the  7 buyer and the seller, they shall use  8 their best efforts. Any such dispute,  9 claim or controversy between us which  10 cannot be resolved through negotiations  11 shall be finally resolved by arbitration.  12 So, I think that we have an  13 extraordinarily broad clause not even  14 limited by, relating to this agreement.  15 So, I submit to you that any dispute  16 relating to the oral compensation  17 agreement is arbitrable.  18 MR. FRIEDLAND: It is a weirdly  19 broad clause.  20 MR. GOLDSTEIN: I think it is  21 useful, and sort of a bridge from the  22 discussion that we got on the interim  23 award to the discussion on the subpoena,  24 to give you just a recap of what I think</p>
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<p>1 on the other hand, that doesn't foreclose  2 the possibility that Dempsey is entitled  3 to damages in some amount.  4 Another possibility is, we are not  5 entitled to an actual payment, maybe  6 there is a setoff, and we had a long  7 discussion about whether any money is  8 due, and maybe Dempsey prevails on that,  9 and doesn't get any damages, which is a  10 possibility, or they get a fraction of  11 what they are claiming.  12 So, who is going to be the  13 prevailing party under the scenario that  14 actually plays out, I don't think can be  15 determined, a matter that can't be  16 determined until these proceedings  17 finish.  18 With that, would you mind if I stand  19 a little while?  20 MR. FRIEDLAND: Go ahead.  21 This discussion makes me think of  22 the question of whether a counterclaim  23 under the oral agreement, as I have come  24 to understand it this morning, is subject</p>	<p>1 is the damages formula on Dempsey's case.  2 I think the -- first of all, I think  3 when the 2716 talks about the difference  4 between the value of the goods received  5 and the value of conforming goods, that  6 means market value for what we could sell  7 them for. So it is a lost profits case.  8 The formula which we will present to  9 you will be price we could have sold it  10 for, and let's just, for argument's sake  11 say, that is 1,500 -- and the price we  12 bought it for, and let's say the 780  13 plus, or argument, 800, equals an  14 expected profit of 700 per ton.  15 And you have to multiply that by the  16 number of tons, which in this case turns  17 out to be 2,090 tons.  18 Now, that formula presumes we paid  19 800 a ton for 2,090 tons, whereas in  20 fact, we paid 800 a ton for 2,090 tons,  21 less \$338,000, that we did not pay.  22 So --  23 MR. FRIEDLAND: Excuse me. Is your  24 claim for breach of the oral agreement?</p>